

**DEBT COLLECTION POLICY**

**Objective**

~~To provide clear direction to staff as to how outstanding debts should be managed. It is essential for the good governance of the Shire that monies owed are paid when due and that effective steps are taken for debt management. This policy has been formulated to treat all debtors fairly and consistently while recognising Council has the responsibility to recover all outstanding debts and charges in a timely manner to finance its operations and ensure effective cash flow.~~

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- ~~1. This policy shall be utilised when dealing with outstanding monies.~~
- ~~2. This policy shall be implemented on a day to day basis by the Chief Executive Officer.~~
- ~~3. Records shall be kept to ensure continuity of information for historical purposes.~~
- ~~4. All provisions of the Local Government Act relating to recovery of unpaid rates and service charges shall be adhered to at all times.~~
- ~~5. This policy shall form part of the information sheet enclosed with all rate notices each year.~~

**Policy**

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**Collection of Local Government Rates**

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1. All rate monies owed to the Shire of Denmark are deemed to be overdue following a period of 35 days from the date of the original invoice (excluding instalment options).
- ~~2. At the expiration of the 35 day period Council shall issue first reminder giving the debtor a further 14 days to rectify the debt.~~
3. At the expiration of the ~~14-35~~ day period, if payment has not been forthcoming, then Council will issue a ~~final notice~~ Final Notice demanding payment within 14 days.
- ~~4. At the expiration of the 14 day period, if payment has not been forthcoming, then Council will issue a letter of demand, advising of Councils ability to, in the case of rates, resume property for the purposes of recovering any outstanding monies.~~
- ~~5. If the account is not paid by the due date set out in the Letter of Demand, the matter is then handed to a debt collection agency (or Fines Enforcement Registry), and all costs associated with debt collection action will be borne by the debtor.~~
6. The Council may use methods prescribed in s 6.60 and 6.64 Local Government Act 1995 (WA) to recover the amount unpaid. These methods are:
  - a) Garnish the rent payable by the lessee;
  - b) leasing the land;
  - c) sell the land
  - d) transfer the land to the Council
  - e) transfer the land to the Crown

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5.1. The matter is then handed to a debt collection agency (or Fines Enforcement Registry), and all costs associated with debt collection action will be borne by the debtor.~~

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~~6-7.~~ Prior to commencing any action to sell land under the provisions of the Local Government Act 1995, the matter is to be referred to Council for consideration.

~~7-8.~~ Interest on outstanding monies shall be calculated on a daily basis at a level set at Council's annual budget for monies outstanding for a period greater than 35 days in accordance with Section 6.13(6) of the Local Government Act.

~~8-9.~~ In cases where the owner of a leased or rented property on which municipal rates are outstanding cannot be located or refuses to settle rates owed, notices may be served on the lessee or tenant under the provisions of Section 6.60 of the Local Government Act requiring the lessee or tenant to pay to the Council the rent due under the lease/tenancy agreement as it becomes due until the amount in arrears has been paid.

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#### **Payment Arrangements to Pay Off Outstanding Rates Debt:**

~~The Council encourages ratepayers to contact them on (08) 9848 0300 if they are unable to meet their obligations. All requests for deferment and/or payment by instalments must be made in writing. In assessing a payment arrangement, the Council will consider:~~

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~~a) the time over which payment will be made;~~

~~b) the compliance history of the ratepayer;~~

~~c) the time between when the account became unpaid and contact from the ratepayer;~~

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~~d) The reason for the non-payment of the account; and~~

~~1-e) any other factors deemed relevant by the Council.~~

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~~2-1. The ratepayer must, when making application for deferment or payment by instalments, provide in writing:~~

~~• details to support their payment;~~

~~• advice as to the date payment will be finalised;~~

~~• date of and amount of instalment payment schedule (including date of final instalment).~~

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#### **Note: Concession Holders**

~~For the purpose of this policy Concession Holder means recognised under the Rates and Charges (Rebates and Deferments) Act 1992 (WA) as eligible for a state government rebate or to defer their rates.~~

Ratepayers who have made written contact with Council seeking deferment of payment of rates and/or payment by instalment method or are the subject of a separate agreement, be exempt from legal action for recovery of outstanding monies unless the payment schedule has been defaulted.

Applications from pensioners be considered individually and be exempt from default procedures.

#### **Collection of Sundry Debtors**

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~~1. Whenever practical, pre-payment be sought for works, services and facilities. The estimated cost may form the basis of pre-payment.~~

~~2. In all other cases, invoices shall be forwarded within seven (7) days of the debt being incurred.~~

~~3. If the account is outstanding beyond thirty (30) days, a reminder notice is forwarded requesting a payment within fourteen (14) days.~~

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4. Where the account remains outstanding after fourteen (14) days from the issue of the reminder notice, a "Notice of Intention to Claim" shall be issued allowing seven (7) days for payment.

5. The matter is then handed to a debt collection agency (or Fines Enforcement Registry), and all costs associated with debt collection action will be borne by the debtor.

**Footnote:**

Each debtor's right to appeal in accordance with the provisions of the Local Government Act shall not be relinquished by anything in this policy.

~~ADDED by Res: 341108 / 25 November 2008~~????

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**Policy****Collection of Local Government Rates**

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2. At the expiration of the 35 day period, if payment has not been forthcoming, then Council will issue a Final Notice demanding payment within 14 days.
3. At the expiration of the 14 day period, if payment has not been forthcoming, then Council will issue a Letter of Demand for payment, with a due date for compliance of no more than 14 days from the date the letter was issued.
4. If the account is not paid by the due date set out in the Letter of Demand, the matter is then handed to a debt collection agency (or Fines Enforcement Registry), and all costs associated with debt collection action will be borne by the debtor.
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- a. the time over which payment will be made;
- b. the compliance history of the ratepayer;
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